



Analysis of consumer preferences for information and expert opinion using a discrete choice experiment

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Abstract

We present a study of consumer preferences for information in wine purchases. Consumers are presented with extra information in the form of qualitative product descriptions and quantitative expert ratings. We implement a discrete choice experiment in which we vary experimentally the presence of the descriptions and ratings and the values of the ratings themselves. Respondents are asked to choose amongst a set of 5 wine bottles in a sequence of 21 choice scenarios. We find that the presence of extra information and high expert ratings have a significant impact on the willingness to pay for a given wine. The dispersion of ratings for a given wine does not affect respondents' choices. In our estimates high average ratings by experts carry a premium of AUD \$10.

Keywords Stated preference survey · Discrete choice experiments · Experimental design · Wine preferences · Expert opinion

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